(a) whether any yard-stick has been set to determine the prices of pay channels to be charged by the cable operators;

(b) if so, the details thereof and if not, the reasons therefor;

(c) whether the four metro cities, wherein the CAS is proposed to be implemented, the price determination shall be uniform; and

(d) the measures likely to be taken to ensure that the cable opertors may not charge more than the fixed charges and may not increase them frequently?

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI RAVI SHANKAR PRASAD): (a) to (c) Government has, through notification issued on 7-5-2003, specified Rs. 72/- (plus taxes) as the maximum price of basic service tier, consisting of not less than 30 free-to-air channels of different genres of entertainment, news, sports, children's programmes and music in the four metros when CAS is going to be implemented. The notification is available in the Ministry's website.

(d) Under the provisions of Cable Television Networks (Regulation) Act, 1995, as amended up-to-date, the overcharging by the cable operator, over and above the rates fixed by the Government for fee to air channels, will constitute a cognizable offence.

Agreement on comprehensive Economic Cooperation with ASEAN

*100. SHRI MOOL CHAND MEENA :

DR. T. SUBBARAMI REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India has signed a Framework Agreement on Comprehensive Economic Cooperation with the Association of South East Asian Nations (ASEAN), paving the way for a Free Trade Area within a ten year timeframe;

(b) if so, whether China has also signed similar agreement for three years with the ASEAN;

(c) if so, to what extent it is different than the Chinese pact; and

(d) to what extent, India would be benefited?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) Yes, Sir. India has signed the Framework Agreement with ASEAN on 8th October, 2003, in Bali, Indonesia wherein it has been agreed to enter into negotiations in order to establish an ASEAN-India Regional Trade & Investment Area (RTIA) which envisages to encompass a Free Trade Area (FTA), beginning with goods, subsequently extended to trade in services & investments. The Framework Agreement aims to from a Free Trade Area in Goods between India and ASEAN by the year 2016.

(b) China has singed a Free Trade Agreement on Comprehensive Economic Cooperation with ASEAN in November, 2002 at Phnom Penh Cambodia which also prescribes for Free Trade Area in Goods within 10 years time frame.

(c) The main differences between the two pacts can be summarised in the following manner :—

(i) While the FTA in Goods between India & ASEAN will be achieved in the year 2016; with China the same will be achieved in 2015.

(ii) For FTA in Services and Investment the negotiations between India & ASEAN will commence in 2005 and conclude by 2007 and the identification, liberalisation etc. of the sectors of services to be finalised for implementation subsequently. However in the Framework Agreement between ASEAN & China though the time for commencement of negotiations in Services & Investments has been prescribed (year 2003) there is no prescribed time frame to conclude these negotiations.

(iii) The identified Areas of Economic Cooperation between India & ASEAN include trade facilitation measures; sectors of cooperation; and trade & investment promotion measures and are more illustrative than the one with China.

(iv) The Framework Agreement with India provides for exchange of tariff concessions on products listed under the Early Harvest

Programme (EHP). The exchange of tariff concessions on these products will start from 1st November, 2004 and the products have been categorized in the following manner :—

(a) Common List of 105 items (at 6 digit HS level) on which exchange of tariff concessions would take place. The tariffs will be eliminated in three years between India & ASEAN 6 (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand). India will remove tariffs on these items within three years for Cambodia, Laos, Myanmmar and Vietnam, while they will do so for India in six years.

(b) List of 111 items (at 6 digit HS level) on which India will extend unilateral tariff concessions to Cambodia, Laos, Myanmar & Vietnam. The tariffs on these items will be eliminated in three years

The items covered under the above two categories cover a wide range of products namely inorganic & organic chemicals; wood & wood products; paper & paperboards; machinery & equipments; raw hides & skins, footwear etc.

In the case of China, the Early Harvest Programme covers only the agricultural products (Live animals, Meat & edible meat offal, Fish, Dairy produce, Other animals products, Live trees, Edible vegetables and Edible fruits & nuts). It also prescribes for having an Exclusion List of items from the above agricultural products on which concessions are not available.

(v) Under the EHP with India, certain areas of cooperation have been identified so that the cooperation in these areas are carried out on a fast tract basis. There is no such provision in the Framework Agreement between ASEAN and China.

(vi) The Framework Agreement between India and ASEAN prescribes that any ASEAN Member may defer its participation in the implementation of the Agreement provided a notification is given to the other Parties within 12 months from the date of signing of the Agreement. The concerned Party shall participate in the implementation of this Agreement at a later date on the same

terms and conditions, including any further commitments that may have been undertaken by the other parties by the time of such participation. There is no such provision in the Framework Agreement between ASEAN and China.

(d) The proposed establishment of an RTIA is driven by several benefits including the following :—

(i) A combined ASEAN-India market has a population of 1.5 billion, a total Gross Domestic Product (GDP) amounting to about USD 900 billion, and total trade amounting USD 700 billion. The large market size creates huge opportunities for reaping economies of scale and scope, from both supply and demand perspective.

(ii) An analysis of trade structure of ASEAN and India indicates strong trade complementarity which in turn implies scope for trade expansion. The skewed export structure of both ASEAN and India in their bilateral trade, even when their aggregate export structures are well diversified, points to substantial scope of trade expansion through diversification.

(iii) The competition that would result from the elimination of the barriers to trade and investment would induce domestic producers to move towards greater international competitiveness.

(iv) With the formation of RTIA India is expected to attract Foreign Direct Investment (FDI) from ASEAN and at the same time it will provide opportunity for many large Indian corporations who are now focusing on securing market access through FDI rather than exports.

(v) Priority areas of cooperation have been identified which inter-alia, include tourism, infrastructure, pharmaceuticals, education and human resources development, science & technology, media & entertainment etc. wherein the sectoral development between India & ASEAN would take place through technical collaborations.